



Investment Banking | **Industry Spotlight**



Diversified Industrials - Industrial Technology | Q3 2017

Diversified Industrials Investment Banking

Industry Expertise	Capital Markets Capabilities
Chemicals, Plastics & Packaging <ul style="list-style-type: none"> ▪ Coatings ▪ Diversified Chemicals ▪ Packaging ▪ Plastics Manufacturing 	<p>Full-service Capital Markets platform staffed with over 200 professionals, offering the following capabilities:</p> <p>Investment Banking</p> <ul style="list-style-type: none"> ▪ M&A Advisory ▪ Capital Raising ▪ Strategic Alternatives <p>Debt Capital Markets (DCM)</p> <ul style="list-style-type: none"> ▪ Loan Capital Markets: <ul style="list-style-type: none"> - Pro Rata - Institutional ▪ Bond Capital Markets: <ul style="list-style-type: none"> - Investment Grade - High Yield - Acquisition & Bridge Finance ▪ Securitization & Private Placements <p>Equity Capital Markets (ECM)</p> <ul style="list-style-type: none"> ▪ Initial Public Offerings (IPO's) ▪ Follow-On Offerings ▪ Convertible Debt
Industrial Technology <ul style="list-style-type: none"> ▪ Flow Control ▪ Process/Motion Control ▪ Test & Measurement 	
Metals & Materials <ul style="list-style-type: none"> ▪ Metal Forming & Machining ▪ Mills & Specialty Metal ▪ Natural Resources & Mining ▪ Processors/ Distributors ▪ Scrap/Recycling 	
Specialty Distribution <ul style="list-style-type: none"> ▪ Automotive Aftermarket ▪ Building & Construction Products ▪ Electrical & Communication ▪ Industrial, MRO & Safety 	
Transportation & Logistics <ul style="list-style-type: none"> ▪ Automotive & Heavy Duty Vehicles ▪ Marine ▪ Rail & Rail Services ▪ Third Party Logistics 	

Key Industrial Sector Contacts

Investment Banking	
Jeremy Eberlein <i>Managing Director</i> jeremy.eberlein@53.com	Joe Carson <i>Managing Director</i> joeseph.carson@53.com
Melina Audinelle <i>Director</i> melina.audinelle@53.com	Marc Hirschfield <i>Principal</i> marc.hirschfield@53.com
C.J. Andriole <i>Senior Associate</i> cj.andriole@53.com	Zac Kennedy <i>Senior Associate</i> zac.kennedy@53.com
Sponsor Coverage	
Bill Tyson <i>Co-Head Capital Markets</i> william.tyson@53.com	Jeff Thiemann <i>Managing Director</i> jeff.thiemann@53.com
Debt Capital Markets	Equity Capital Markets
Mike Brothers <i>Managing Director</i> michael.brothers@53.com	Mike Ryan <i>Managing Director</i> michael.ryan@53.com
Corporate Banking	
Ross Breunig <i>Team Lead</i> ross.breunig@53.com	Kurt Steves <i>Team Lead</i> kurt.steves@53.com
David Izard <i>Team Lead</i> david.izard@53.com	

Senior Diversified Industrials Investment Banking Team

Jeremy Eberlein <i>Managing Director</i>	Joe Carson <i>Managing Director</i>	Marc Hirschfield <i>Principal</i>
<ul style="list-style-type: none"> ▪ Over 20 years of investment banking experience, inclusive of: merger & acquisition advisory, restructuring advisory, equity offerings, debt placements, and principal investing ▪ Career primarily focused on middle market industrial oriented companies ▪ Previously a Director in Harris Williams & Co's Industrials Group and led the Metals Industry Practice ▪ BSBA - Ohio University 	<ul style="list-style-type: none"> ▪ Over 24 years of experience in financial advisory services, investment banking, and strategic planning coupled with direct operational and managerial responsibilities ▪ Prior to FTS, served as a Senior Vice President at Caldwell Tanks; oversaw business development and strategy ▪ Prior to Caldwell Tanks, served as a Managing Director and Co-Head of Industrials at Western Reserve Partners <ul style="list-style-type: none"> ▪ BSBA - Miami University ▪ MBA - Case Western Reserve University's Weatherhead School of Management 	<ul style="list-style-type: none"> ▪ Over 11 years of investment banking and private equity experience with Corporate Fuel Partners and Fifth Third Securities ▪ Experienced with a variety of middle market industrial manufacturing, distribution and services companies ▪ BS - University of Florida ▪ MBA - New York University's Stern School of Business

July 2017: Fifth Third Securities, Inc. Advises Schafer Industries, Inc. on its Sale to HBM Holdings Company

Fifth Third Securities, Inc. acted as the exclusive financial advisor to Schafer Industries Inc. (“Schafer”) on its recent sale to HBM Holdings Company (“HBM”). The acquisition of Schafer is a continuation of HBM’s long-term strategy to acquire and build market leading manufacturers of industrial products. Advising Schafer on the transaction from Fifth Third were Mike Burr, Managing Director and Head of FTS’ M&A practice; Jeremy Eberlein, Managing Director and Head of FTS’ Diversified Industrials Group; Rob Bohn, Director; C.J. Andriole, Senior Associate; and Max Matthews, Analyst.

Key Transaction Commentary

“The Fifth Third Securities team not only was wonderful to work with, but it also delivered results,” said Bipin Doshi, CEO of Schafer. “The team worked efficiently and effectively with our legal, financial and operational teams and successfully closed the deal in a 45-day window.”

“Our investment banking team is proud to have represented Schafer and its shareholders in their transition to new ownership under HBM Holdings and we look forward to following the company’s continued growth and success,” said Jeremy Eberlein. “Schafer’s impressive capabilities and dedicated employees will be an excellent fit with HBM’s dedication to long-term value creation and provide HBM with a strong platform for future industry leadership.”

About Schafer

Founded in 1934, Schafer Industries is a leading producer of high-precision, custom-engineered gears and machined parts as well as assembled axles, transaxles, transmissions, brake assemblies and other components for a wide variety of industries. An ISO 9001:2015 company, Schafer is headquartered together with an operations facility in South Bend, Ind., and has manufacturing facilities in Illinois and Ohio.

About HBM Holdings

HBM Holdings is an investment and management company that acquires, supports, and operates middle-market businesses in industrial products and services. The firm’s strategy is to grow a diversified portfolio using a long-term buy and build approach. HBM provides our portfolio companies with professional management expertise, financial resources, and high potential human capital to accelerate their growth. HBM invests in high-performing companies in the specialty-manufacturing sector, specifically in industrial equipment and components, energy equipment, transportation equipment (excluding light automotive) and chemical and minerals. HBM’s portfolio of companies includes Mississippi Lime Company, Delavau LLC, Schafer Industries, Tru-Flex LLC, and Breen Energy Solutions LLC.

July 2017

SCHAFER
INDUSTRIES

has been acquired by

HBM
HOLDINGS

*The undersigned served as Exclusive
Financial Advisor to Schafer in
connection with this transaction*



July 2017: Fifth Third Securities, Inc. Advises GrafTech International Ltd. on the Sale of Advanced Energy Technologies LLC to Aterian Investment Partners

Fifth Third Securities, Inc. (“FTS”) acted as exclusive financial advisor to GrafTech International Ltd. (“GrafTech”) on the sale of Advanced Energy Technologies LLC (“AET”) to Aterian Investment Partners (“Aterian”). The sale was completed as part of the on-going divestiture of GrafTech’s Engineered Solutions segment, enabling GrafTech to focus on its core graphite electrode and related businesses. Advising GrafTech on the transaction from Fifth Third were Jeremy Eberlein, Managing Director and Head of FTS’ Diversified Industrials Group; Marc Hirschfield, Principal; and Colin Schulz, Analyst.

Key Transaction Commentary

“This transaction infuses new energy and business development experience into the Company and is a critical step in NeoGraf’s continued development. Aterian has demonstrated a track record of investing in operations and growing businesses alongside management. Aterian’s support will allow NeoGraf to continue providing technology-leading, high quality products to our existing customers, as well as pursue additional business initiatives and service offerings.” – Andy Reynolds, CEO of NeoGraf

About AET

Founded in 1886 in Cleveland, Ohio, by its predecessor firm, the National Carbon Company, Advanced Energy Technologies LLC (renamed following the closing to Neograf Solutions, LLC) is a leading technology developer and manufacturer of high quality flexible natural and synthetic graphite solutions for thermal management, fluid sealing, and industrial additive and powder applications in the consumer electronics, automotive, and other industries.

About GrafTech

GrafTech International Ltd. is a global company, established more than 130 years ago. It offers innovative graphite and petroleum needle coke material solutions to its customers in a wide range of industries and end markets, including steel and other metals manufacturing, graphite electrode, and specialties manufacturing. GrafTech operates 12 principal manufacturing facilities on four continents and sells products in over 70 countries. Headquartered in Brooklyn Heights, Ohio, GrafTech employs approximately 1,500 people.

July 2017

Advanced Energy Technologies LLC

a subsidiary of



has been acquired by



The undersigned served as Exclusive Financial Advisor to GrafTech in connection with this transaction



SUBSECTOR SPOTLIGHT: TEST & MEASUREMENT – SENSORS & INSTRUMENTATION

The global sensors market is estimated to be \$138.8 billion in 2017, and is projected to reach \$240.3 billion by 2022 at a 11.8% CAGR

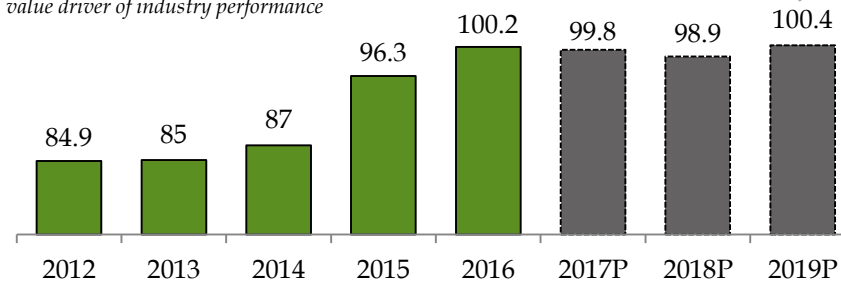
- Sensors and instruments monitor and control process variables, including temperature, pressure, viscosity, and voltage current, and perform high precision measurements
- Technological innovation, enhanced production processes, and increased emphasis on occupational safety drive demand for sensors in a multitude of industries
- The sensors industry has experienced 9.0% Y-o-Y growth in revenue for the first quarter of 2017, displaying exceptional growth opportunities
 - The oil and gas sensors market is estimated to grow to \$2.5 billion by 2021 at a CAGR of 5.1%
 - The corrosion and leak detection sensors market is estimated to grow to \$2.7 billion by 2020 at a CAGR of 7.1%
 - The automotive sensors market is estimated to grow to \$25.0 billion by 2018 at a CAGR of 9.0%
- The coming of Industry 4.0, linking the real-life factory with virtual reality, will play a prevailing role in reshaping the global manufacturing landscape, serving as another growth platform for sensors
 - In 2015, industrial robot sales increased by 15.0% to 253,748 units
 - Full adoption of automated manufacturing could raise productivity growth by ~1.4%
 - Industrial robots and technologies utilize sensors in order to autonomously collect data and run real-time analysis, streamlining the production process
- The U.S. pressure sensors industry is estimated to be a \$2.0 billion market and is expected to grow at a CAGR of 2.1% to 2021
 - Pressure sensors measure fluid, gas, and mechanical pressure for a broad range of manufacturing industries
 - Demand is highly correlated with corporate research and development investments, industrial production, and automotive manufacturing output

Source: AMA Association for Sensors & Measurements
 Source: BCC Research – Global Markets and Technologies for Sensors
 Source: IBISWorld – Pressure Sensor Manufacturing in the U.S.
 Source: RB Milestone Group – Micromen Technologies Initiating Coverage
 Source: World Robotics 2016 Industrial Robots Report

Trade-Weighted Index

Domestic industrial technology manufacturers are heavily dependent upon exports for financial success, making the value of the dollar a key value driver of industry performance

Strong Dollar → Focus on Domestic Growth

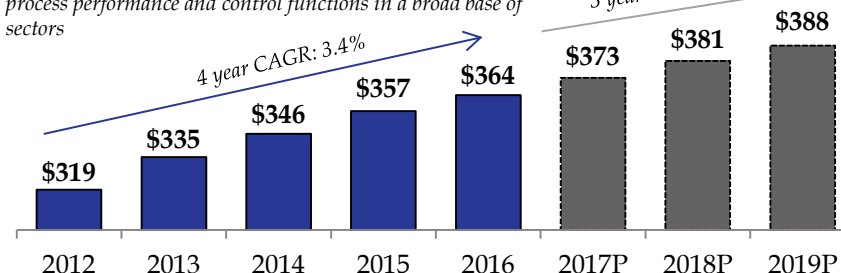


Research & Development Expenditure (\$ in Bn)

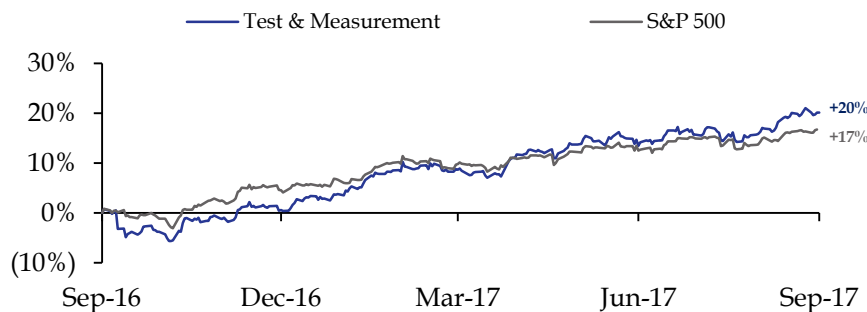
Demand for sensors is highly correlated with corporate R&D → sensors are extensively used in monitoring industrial process performance and control functions in a broad base of sectors

3 year CAGR: 2.2%

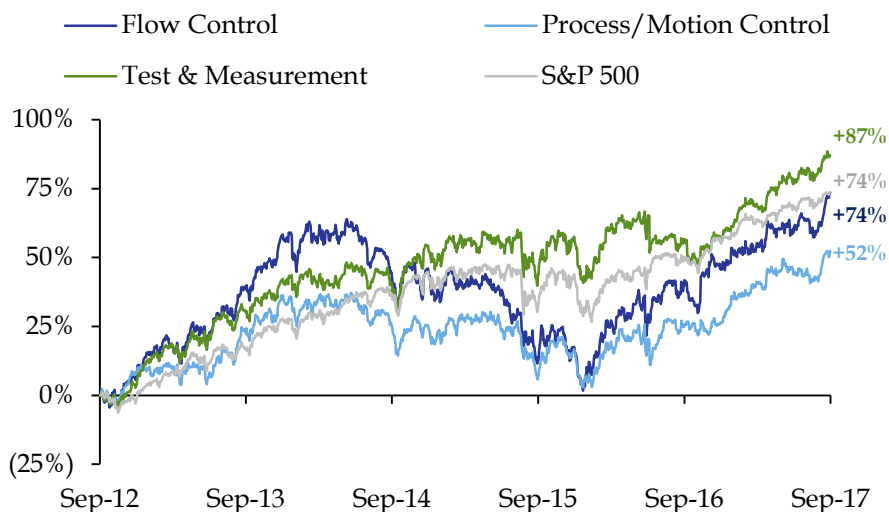
4 year CAGR: 3.4%



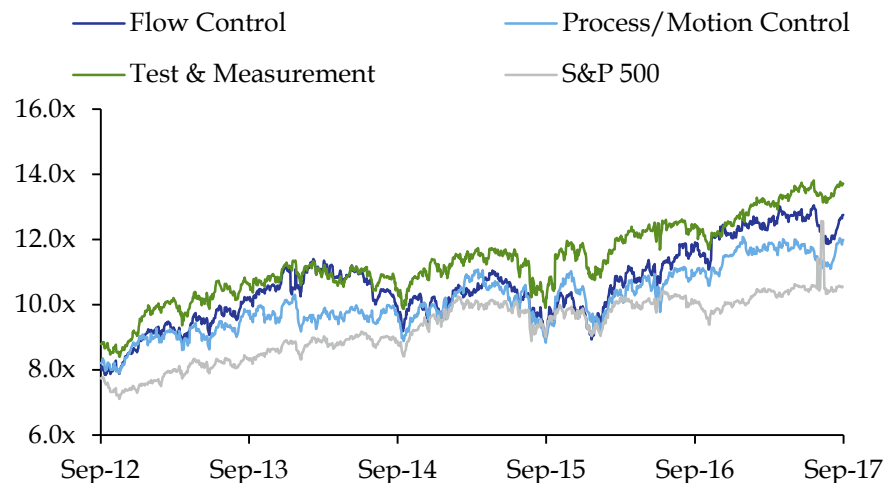
Latest Twelve Months (“LTM”) Share Price Performance



Industrial Technology 5-Year Share Price Performance



Industrial Technology 5-Year Avg. EV/ Forward EBITDA Valuation



Sub Sector Indices' Stock Price Performance and Valuation Summary

Sub Sector	Number of Companies	Median Enterprise Value \$ in millions	Median % Change in Stock Price		Median TEV / LTM Multiples		Median TEV / Forward Multiples	
			12 Months	YTD	Revenue	EBITDA	Revenue	EBITDA
Flow Control	26	\$5,120	20%	15%	2.1x	14.8x	2.3x	13.7x
Process/Motion Control	15	22,102	20%	15%	1.9x	16.5x	2.0x	15.2x
Test & Measurement	19	3,194	27%	22%	2.8x	14.9x	2.6x	13.4x
S&P 500	500		17%	12%	2.4x	12.3x	2.3x	10.6x

Comparable Public Companies

Industrial Technology – Flow Control

Operating & Trading Statistics (\$ in millions, except per-share data)

	Stock Price at 9/29/17	% of 52-Week High	Market Cap	Enterprise Value	Revenue Growth		LTM Margins		Debt/EBITDA	Price/Earnings	Enterprise Value/			
					'15A - '16A	'16A - '17E	Gross	EBITDA			Revenue		EBITDA	
											LTM	2017E	LTM	2017E
Pumps and Filtration														
Pentair plc	\$67.96	98%	\$12,333	\$13,855	6%	(3%)	36.7%	19.3%	1.8x	27.5x	2.9x	2.9x	14.8x	14.4x
Xylem Inc.	62.63	97%	11,246	13,386	3%	21%	38.7%	17.1%	3.3x	43.2x	3.2x	2.9x	18.5x	15.8x
IDEX Corporation	121.47	98%	9,283	9,954	5%	3%	44.7%	25.3%	1.6x	34.4x	4.5x	4.6x	18.0x	18.1x
Trelleborg AB	25.02	96%	6,781	8,205	2%	16%	33.4%	16.6%	2.7x	27.8x	2.2x	2.4x	13.4x	13.6x
Graco Inc.	123.69	100%	6,926	7,173	3%	3%	53.3%	28.5%	0.8x	NM	5.1x	5.2x	18.1x	19.6x
Flowserve Corporation	42.59	82%	5,564	6,671	(12%)	(8%)	32.5%	10.1%	4.2x	38.4x	1.8x	1.8x	17.6x	13.2x
Colfax Corporation	41.64	97%	5,123	6,389	(8%)	(2%)	31.4%	12.3%	3.0x	40.0x	1.8x	1.8x	14.3x	13.3x
Donaldson Company, Inc.	45.94	94%	5,968	6,275	7%	(2%)	34.8%	17.0%	1.5x	28.2x	2.6x	2.7x	15.5x	15.3x
IMI plc	16.67	94%	4,487	4,876	(11%)	4%	44.2%	16.9%	1.2x	28.1x	2.2x	2.3x	12.7x	13.9x
Sulzer Ltd	118.06	97%	4,024	4,330	(5%)	6%	30.6%	10.3%	2.0x	NM	1.4x	1.4x	13.7x	13.6x
SPX FLOW, Inc.	38.56	95%	1,633	2,417	(16%)	(6%)	31.3%	10.1%	5.3x	NM	1.3x	1.3x	12.7x	11.0x
Franklin Electric Co., Inc.	44.85	96%	2,085	2,305	3%	5%	34.9%	14.6%	1.9x	27.2x	2.3x	2.3x	15.8x	14.8x
Essentra plc	7.41	94%	1,933	2,218	(17%)	2%	50.4%	3.8%	6.9x	NM	1.7x	1.8x	43.8x	13.7x
ESCO Technologies Inc.	59.95	94%	1,549	1,765	6%	20%	37.8%	17.0%	2.4x	32.6x	2.8x	2.6x	16.3x	13.8x
The Gorman-Rupp Company	32.57	95%	850	783	(6%)	(2%)	24.1%	14.3%	0.0x	35.9x	2.1x	2.1x	14.6x	14.9x
Iteris, Inc.	6.65	96%	217	199	23%	2%	39.2%	NM	0.0x	NM	2.0x	2.0x	NM	NM
Median					2%	2%	35.8%	16.6%	1.9x	32.6x	2.2x	2.3x	15.5x	13.9x
Valves and Fittings														
Parker-Hannifin Corporation	\$175.02	99%	\$23,313	\$28,265	6%	6%	23.4%	14.9%	3.3x	27.0x	2.3x	2.2x	15.7x	13.6x
The Weir Group PLC	26.35	94%	5,881	7,021	(18%)	17%	32.7%	13.0%	4.2x	NM	2.6x	2.6x	20.0x	16.5x
Aalberts Industries N.V.	48.35	100%	5,346	6,281	(1%)	7%	62.2%	15.9%	2.0x	27.8x	2.1x	2.2x	13.3x	13.7x
Curtiss-Wright Corporation	104.54	97%	4,614	5,237	(4%)	4%	35.6%	19.1%	2.3x	24.9x	2.4x	2.4x	12.6x	12.3x
Crane Co.	79.99	95%	4,767	5,016	0%	(1%)	36.0%	17.5%	1.5x	38.6x	1.8x	1.9x	10.4x	10.2x
Indutrade AB (publ)	26.35	99%	3,182	3,619	1%	10%	33.6%	12.9%	2.2x	30.7x	2.2x	2.3x	17.0x	17.5x
Watts Water Technologies, Inc.	69.20	97%	2,366	2,697	(5%)	3%	40.4%	14.4%	2.7x	28.4x	1.9x	1.9x	13.3x	12.1x
Mueller Industries, Inc.	34.95	80%	2,014	2,374	(2%)	NA	16.2%	9.2%	2.6x	20.1x	1.1x	NA	11.9x	NA
Mueller Water Products, Inc.	12.80	90%	2,030	2,163	(2%)	(24%)	32.2%	16.0%	2.6x	32.0x	1.9x	2.5x	11.7x	11.6x
CIRCOR International, Inc.	54.43	75%	898	1,074	(10%)	12%	31.7%	9.6%	4.5x	NM	1.8x	1.6x	18.9x	13.2x
Median					(2%)	6%	33.1%	14.7%	2.6x	28.1x	2.0x	2.2x	13.3x	13.2x
All Indices Median					(2%)	3%	34.8%	14.9%	2.4x	28.4x	2.1x	2.3x	14.8x	13.7x

NA - Not available NM - Not meaningful E - Estimate

Enterprise value equals market capitalization plus minority equity plus debt minus cash

Source: S&P Capital IQ as of September 29th, 2017

Comparable Public Companies

Industrial Technology – Process / Motion Control

Diversified Industrials – Industrial Technology | **Industry Spotlight**

Q3 2017

Operating & Trading Statistics (\$ in millions, except per-share data)

	Stock Price at 9/29/17	% of 52-Week High	Market Cap	Enterprise Value	Revenue Growth		LTM Margins		Debt/ EBITDA	Price/ Earnings	Enterprise Value /			
					'15A - '16A	'16A - '17E	Gross	EBITDA			Revenue		EBITDA	
											LTM	2017E	LTM	2017E
Automation and Robotics														
ABB Ltd	\$24.71	96%	\$52,723	\$55,102	(5%)	(1%)	29.4%	12.7%	1.8x	24.0x	1.6x	1.6x	12.9x	11.3x
Fanuc Corporation	202.39	96%	39,234	32,521	(13%)	10%	42.7%	32.8%	0.0x	31.9x	6.3x	6.1x	19.3x	18.1x
Rockwell Automation Inc.	178.21	100%	22,875	22,102	(7%)	4%	42.5%	19.8%	1.5x	28.7x	3.6x	3.6x	18.1x	16.7x
KUKA Aktiengesellschaft	185.32	99%	7,371	7,485	(3%)	10%	23.7%	7.9%	0.9x	NM	1.9x	2.2x	24.3x	25.8x
Metso Corporation	36.69	92%	5,503	5,628	(16%)	5%	28.8%	11.3%	2.8x	36.8x	1.9x	2.0x	16.5x	15.2x
Krones AG	138.93	98%	4,389	4,203	4%	5%	48.4%	8.6%	0.1x	21.5x	1.0x	1.1x	11.7x	11.6x
ATIS Automation Tooling Systems Inc.	10.61	96%	993	1,029	(5%)	0%	25.0%	10.2%	3.2x	37.2x	1.3x	1.4x	12.9x	11.1x
FARO Technologies, Inc.	38.25	94%	639	500	3%	7%	54.2%	4.0%	0.0x	NM	1.5x	1.4x	37.0x	14.4x
Median					(5%)	5%	35.9%	10.8%	1.2x	30.3x	1.8x	1.8x	17.3x	14.8x
Motion and Drives														
Siemens Aktiengesellschaft	\$141.17	90%	\$113,688	\$135,110	6%	1%	30.1%	12.9%	3.3x	17.3x	1.4x	1.5x	11.2x	10.7x
Danaher Corporation	85.78	97%	59,590	70,461	17%	6%	55.4%	23.9%	2.8x	27.5x	4.0x	3.9x	16.9x	16.5x
ABB Ltd	24.71	96%	52,723	55,102	(5%)	(1%)	29.4%	12.7%	1.8x	24.0x	1.6x	1.6x	12.9x	11.3x
Schneider Electric S.E.	87.02	99%	48,657	54,440	(10%)	4%	38.2%	15.1%	2.1x	21.8x	1.9x	2.0x	12.6x	12.1x
Nidec Corporation	122.73	99%	36,337	37,161	3%	16%	24.2%	16.4%	2.0x	34.7x	3.3x	3.0x	20.1x	17.7x
Rockwell Automation Inc.	178.21	100%	22,875	22,102	(7%)	4%	42.5%	19.8%	1.5x	28.7x	3.6x	3.6x	18.1x	16.7x
AMETEK, Inc.	66.04	99%	15,242	17,127	(3%)	5%	33.9%	26.0%	2.3x	29.0x	4.3x	4.2x	16.5x	16.5x
YASKAWA Electric Corporation	31.66	98%	8,431	8,448	(5%)	8%	32.2%	12.4%	0.7x	35.2x	2.3x	2.2x	18.5x	19.0x
Rexnord Corporation	25.41	99%	2,636	3,748	(0%)	1%	35.6%	17.0%	5.0x	38.5x	1.9x	1.9x	11.4x	9.7x
Median					(3%)	4%	33.9%	16.4%	2.1x	28.7x	2.3x	2.2x	16.5x	16.5x
All Indices Median					(5%)	5%	33.9%	12.9%	1.8x	28.7x	1.9x	2.0x	16.5x	15.2x

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Comparable Public Companies

Industrial Technology – Test & Measurement

Operating & Trading Statistics (\$ in millions, except per-share data)

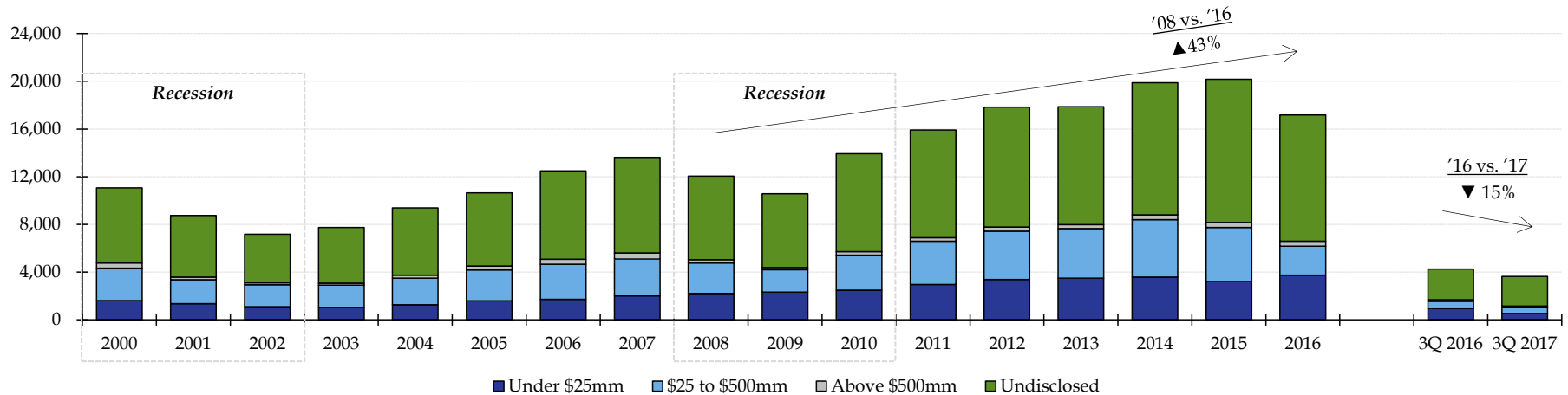
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					'15A - '16A	'16A - '17E	Gross	EBITDA			Revenue		EBITDA	
											LTM	2017E	LTM	2017E
Sensors & Instrumentation														
Honeywell International Inc.	\$141.74	100%	\$107,803	\$114,620	2%	(0%)	31.4%	19.9%	2.1x	22.0x	2.9x	2.9x	14.6x	13.4x
Danaher Corporation	85.78	97%	59,590	70,461	17%	6%	55.4%	23.9%	2.8x	27.5x	4.0x	3.9x	16.9x	16.5x
AMETEK, Inc.	66.04	99%	15,242	17,127	(3%)	5%	33.9%	26.0%	2.3x	29.0x	4.3x	4.2x	16.5x	16.5x
Sensata Technologies Holding N.V.	48.07	100%	8,231	10,987	8%	1%	35.7%	25.3%	4.0x	28.8x	3.4x	3.4x	13.5x	12.6x
Meggitt PLC	6.99	99%	5,409	6,867	1%	6%	37.6%	26.1%	2.2x	14.3x	2.5x	2.6x	9.8x	11.2x
Teledyne Technologies Incorporated	159.18	99%	5,624	6,799	(6%)	4%	38.8%	18.1%	3.0x	29.3x	2.9x	3.1x	16.2x	17.9x
FLIR Systems, Inc.	38.91	95%	5,338	5,441	7%	8%	46.7%	21.2%	1.4x	25.1x	3.2x	3.0x	14.9x	13.4x
National Instruments Corporation	42.17	96%	5,503	5,159	0%	6%	74.7%	15.1%	0.1x	NM	4.1x	4.0x	27.2x	19.6x
Spectris plc	32.31	84%	3,853	4,055	(5%)	11%	56.6%	15.2%	1.0x	NM	2.1x	2.2x	13.9x	NA
Itron, Inc.	77.45	100%	2,997	3,214	7%	(2%)	33.0%	11.2%	1.5x	NM	1.6x	1.6x	14.5x	13.4x
Jenoptik AG	33.13	100%	1,897	1,875	(0%)	9%	35.2%	13.6%	1.3x	30.6x	2.3x	2.4x	17.2x	16.6x
ESCO Technologies Inc.	59.95	94%	1,549	1,765	6%	20%	36.8%	17.0%	2.4x	30.3x	2.8x	2.6x	16.3x	13.8x
Badger Meter, Inc.	49.00	99%	1,427	1,458	4%	6%	38.4%	19.7%	0.6x	41.5x	3.7x	3.5x	18.8x	18.3x
MIS Systems Corporation	53.45	91%	906	1,261	15%	29%	40.0%	14.2%	4.0x	40.9x	1.6x	1.5x	11.1x	9.3x
Oxford Instruments plc	13.00	83%	743	880	(5%)	8%	52.1%	17.1%	2.3x	NM	2.0x	1.9x	11.8x	11.9x
First Sensor AG	18.91	97%	193	226	6%	(3%)	51.1%	11.1%	3.0x	43.8x	1.4x	1.5x	12.4x	12.5x
Median					3%	6%	38.6%	17.6%	2.3x	29.2x	2.8x	2.8x	14.8x	13.4x
Condition Monitoring														
Hexagon AB	\$49.51	91%	\$17,844	\$20,318	1%	12%	60.8%	25.2%	3.0x	28.4x	5.4x	5.5x	21.6x	17.9x
Team, Inc.	13.35	34%	398	751	22%	8%	26.8%	1.7%	18.2x	NM	0.6x	0.6x	35.9x	6.5x
Mistras Group, Inc.	20.50	77%	579	669	(4%)	(1%)	31.7%	7.9%	2.2x	43.6x	1.0x	1.0x	12.5x	8.9x
Median					1%	8%	31.7%	7.9%	3.0x	36.0x	1.0x	1.0x	21.6x	8.9x
All Indices Median					2%	6%	38.4%	17.1%	2.3x	29.2x	2.8x	2.6x	14.9x	13.4x

NA - Not available NM - Not meaningful E - Estimate

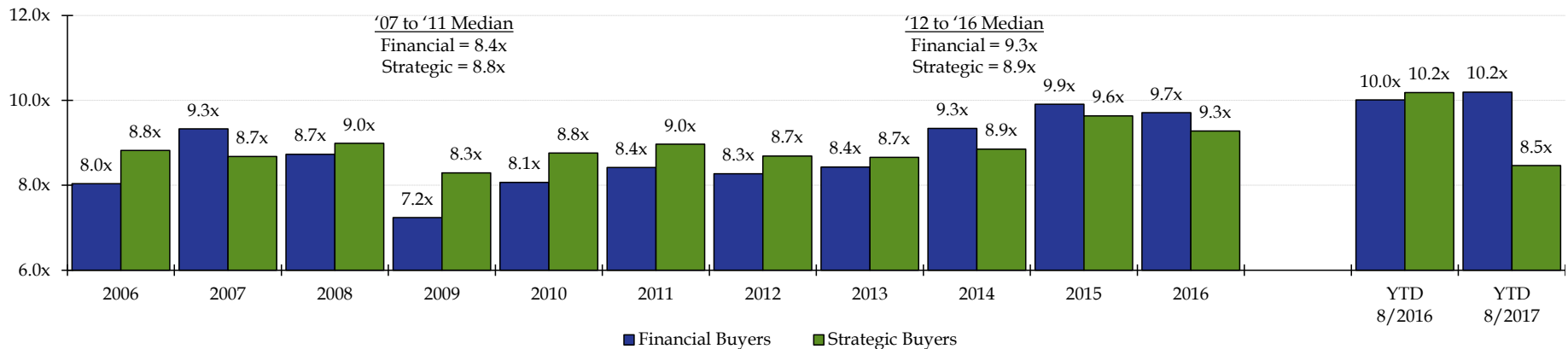
Enterprise value equals market capitalization plus minority equity plus debt minus cash

Source: S&P Capital IQ as of September 29th, 2017

Transaction Volume



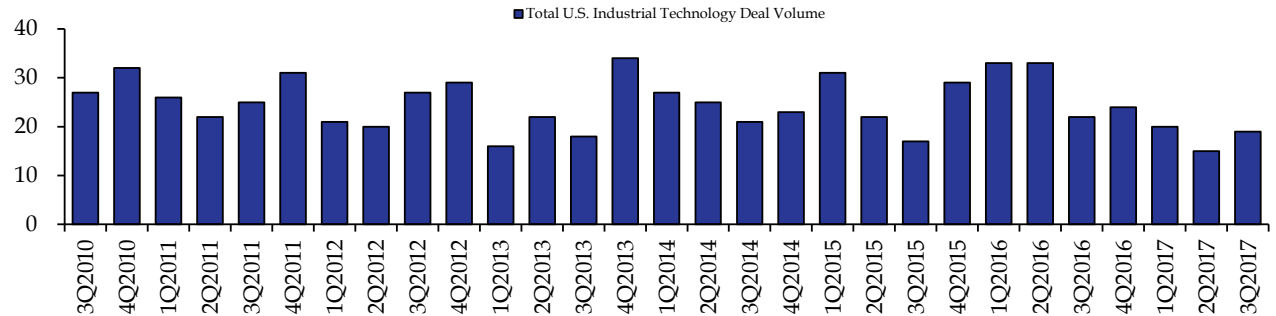
Median Transaction Multiples (Enterprise Value / LTM EBITDA)



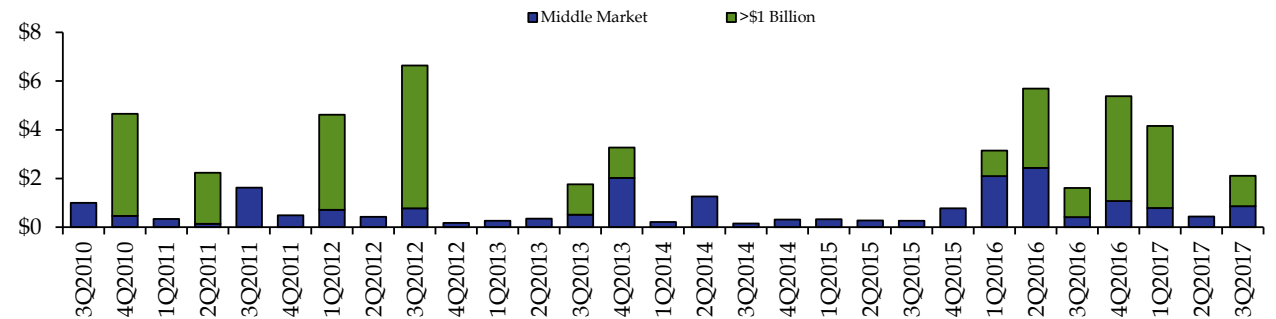
Industrial Technology Specific Activity

- Industrial Technology M&A in 3Q 2017 was driven by transactions in the middle market and a larger deal >\$1 billion
 - Highlighted transactions include:
 - The \$1.3 billion acquisition of ASCO Power Technologies by Schneider Electric, announced July 27, 2017
 - CIRCOR International, Inc.'s (NYSE:CIR) \$855 million acquisition of Colfax Corporation's (NYSE:CFX) Fluid Handling Business, announced September 25, 2017
 - Deal volume edged lower in 3Q 2017 when compared to 3Q 2016, but increased from 2Q 2017
- For middle market transactions, the average enterprise value to LTM EBITDA multiple increased to 13.4x in 3Q 2017 from 9.8x in 2016
- Outlook for Industrial Technology M&A, especially within the subsector of Test and Measurement, remains strong
 - Growth in smart, wireless, and automated technologies will help support demand for sensors and testing instrumentation
 - As such, strategic buyers are expected to remain aggressive in seeking quality assets as acquisition targets

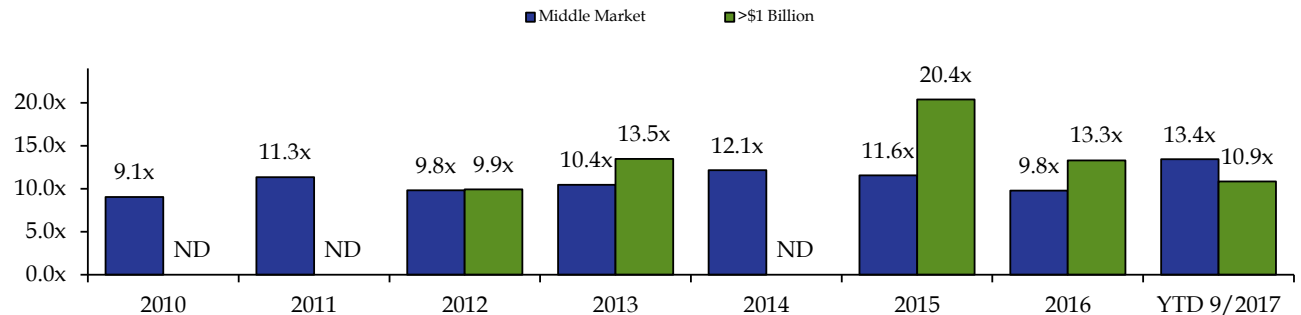
U.S. Industrial Technology M&A Announced Deal Volume



U.S. Industrial Technology M&A Disclosed Deal Value (\$ in billions)



U.S. Industrial Technology M&A Closed Deal Average EV / EBITDA Multiple



Note: Middle Market defined as transactions with disclosed deal values less than \$1 billion
 EV - Enterprise Value ND - No Transaction Values Disclosed
 Other Sources: Fifth Third Securities, PitchBook and S&P Capital IQ

Industrial Technology (\$ in millions)

Date Announced	Acquirer	Target	Transaction's Enterprise Value	Implied Enterprise Value / LTM	
				Revenue	EBITDA
Sep-17	CIRCOR International, Inc. (NYSE:CIR)	Colfax Corporation, Fluid Handling Business	\$855	1.9x	12.3x
Sep-17	Baldwin Technology Company, Inc.	PC Industries	NA	-	-
Sep-17	U.S. Water Services, Inc.	Tonka Equipment Company, Inc.	NA	-	-
Sep-17	FFL Partners, LLC	Bacharach, Inc.	NA	-	-
Aug-17	Fenner Drives, Inc.	Revolution Drives, Inc.	NA	-	-
Aug-17	New Hampshire Ball Bearings, Inc.; Development Bank of Japan Inc., Investment Arm	C&A Tool Engineering, Inc.	NA	-	-
Jul-17	Schneider Electric S.E.	ASCO Power Technologies, L.P.	\$1,250	2.7x	11.7x
Jul-17	OSRAM GmbH	Leddar Tech Inc.	NA	-	-
Jul-17	The CapStreet Group, LLC	Marco Group International, Inc.	NA	-	-
Jul-17	Daburn Electronics & Cable Inc	Polytron Devices, Inc.	NA	-	-
Jul-17	GVS S.p.A.	GVS Filtration Inc.	NA	-	-
Jul-17	Power/Mation Division, Inc.	Electrical Mechanical Drives, Inc.	NA	-	-
Jul-17	Littelfuse, Inc. (NasdaqGS:LFUS)	U.S. Sensor, Corp.	NA	-	-
Jul-17	Odyssey Investment Partners, LLC	CPI International Holding Corp.	\$800 *	-	-
Jul-17	Les Equipements Power Survey Ite	Power Standards Lab Inc.	NA	-	-
Jun-17	Spell Capital Partners LLC	Jet Edge, Inc.	NA	-	-
Jun-17	Legrand SA (ENXTPA:LR)	Server Technology, Inc.	NA	-	-
Jun-17	IPG Photonics Corporation (NasdaqGS:IPGP)	Innovative Laser Technologies Inc.	\$40	-	-
May-17	High Road Capital Partners	Storage Battery Systems LLC	NA	-	-
May-17	Bestport Ventures LLP	Nu-Heat UK Ltd.	NA	-	-
May-17	HENSOLDT GmbH	EuroAvionics GmbH	NA	-	-
May-17	Doble Engineering Company	Renewable NRG System, Inc.	NA	-	-
May-17	Emefcy Group Limited (ASX:EMC)	RWL Water LLC	\$63	1.0x	-
May-17	Golden Gate Capital	G.A.L. Manufacturing Corporation	NA	-	-
May-17	J.F. Lehman & Company, Inc.	BEI Precision Systems & Space Co. Inc.	NA	-	-
May-17	Pinewell Capital	Fogco Systems	NA	-	-
May-17	China Renaissance Capital Investment ; Zhengzhou Coal Mining Machinery Group	SG Holding, Robert Bosch's Starters and Generators Business	\$595	-	6.7x
Apr-17	KALORIMETA AG & Co. KG	QUNDIS GmbH	\$435	6.7x	-
Apr-17	Ohio Transmission Corporation	Tri Power MPT Inc.	NA	-	-
Apr-17	One Equity Partners	Starkstrom-Gerätebau GmbH	NA	-	-
Apr-17	Advent International Corporation	Culligan International Company	NA	-	-
Apr-17	AMETEK, Inc. (NYSE:AME)	MOCON, Inc. (NasdaqGM:MOCO)	\$179	2.8x	17.8x
Apr-17	Total Force Limited	MEMSIC, Inc.	\$230	-	-
Apr-17	Resource Label Group, LLC	Gintzler Graphics, Inc.	NA	-	-
Apr-17	ABB Ltd (SWX:ABBN)	Bernecker + Rainer Industrie Elektronik GmbH	\$2,000 *	-	-
Mar-17	Sumitomo Corporation (TSE:8053)	Sumitomo Precision Products Co., Ltd. (TSE:6355)	\$47	0.8x	9.3x
Mar-17	Hopkins Manufacturing Corporation	Kristus, Inc.	NA	-	-
Mar-17	Caisse de dépôt et placement du Québec; SUEZ SA (ENXTPA:SEV)	GE Osmonics, Inc.	\$3,375	1.6x	12.5x
Mar-17	Industrial Growth Partners	IOTA Engineering, L.L.C.	NA	-	-
Feb-17	Motor City Industrial, LLC	EMCO, Inc.	NA	-	-
Feb-17	SolarOne Solutions, Inc.	Inovus Solar, Inc.	NA	-	-
Jan-17	Acal plc (LSE:ACL)	Variohm Holdings Limited	\$17	0.7x	6.9x
Jan-17	Electrical Components International	Fargo Assembly Company	NA	-	-
Jan-17	Saw Mill Capital	iAutomation, inc.	NA	-	-
Jan-17	MEGTEC Systems, Inc.	Babcock & Wilcox Universal	\$55	-	-

* Represents estimated transaction values

Source: Company Filings, S&P Capital IQ

Industrial Technology – Select Transaction Detail

Schneider Electric to Acquire ASCO, a Division of Vertiv



Transaction Overview

Total Schneider Electric Consideration

- \$1.25 billion
- The acquisition of ASCO Power Technologies (“ASCO”), a division of Vertiv, will be funded by 100% cash

Pro Forma Ownership

- 100% Schneider Electric (“Schneider”)

Purchase Price Multiples

- EV / LTM Revenue: 2.7x
- EV / LTM EBITDA: 11.7x

Other Considerations

- The transaction was announced July 27, 2017 and is expected to close by the end of 2017
- Post deal closure, the ASCO business will form part of the Schneider Electric Building business

Transaction Rationale

- ASCO, founded in 1925 in Baltimore, MA, has operated as an autonomous division of Vertiv since December 2016; the company operates seven manufacturing facilities and employs 2,000 people primarily in North America
- ASCO is a leader in the Automatic Transfer Switch (“ATS”) market
 - ATS automatically transfers critical loads from the primary source of power to the back-up power source in the event of a power outage and requires compliance with specific technical regulation standards
- “ASCO brings to Schneider Electric a well-recognized brand in North America, a strong level of know-how, prescription skills and network and a diversified customer base. Its leading position in Automatic Transfer Switch in North America complements our current offer in power distribution equipment in North America and it reinforces Schneider Electric’s global leadership in energy management.” - CEO of Schneider, Jean-Pascal Tricoire

CIRCOR to Acquire Colfax’s Fluid Handling (“CFH”) Business



Transaction Overview

Total CIRCOR Consideration

- Total of \$855 million, including \$542 million in cash, 3.3 million CIRCOR (NYSE:CIR) shares valued at ~\$163 million, and \$150 million of assumed pension liabilities

Pro Forma Ownership

- CIRCOR shareholders to own 84% of the combined entity
- Colfax shareholders to own ~16% of the combined entity

Purchase Price Multiples

- EV / LTM Revenue: 1.9x
- EV / LTM EBITDA (*with synergies*): 8.3x
- EV / LTM EBITDA (*excluding synergies*): 12.3x

Other Considerations

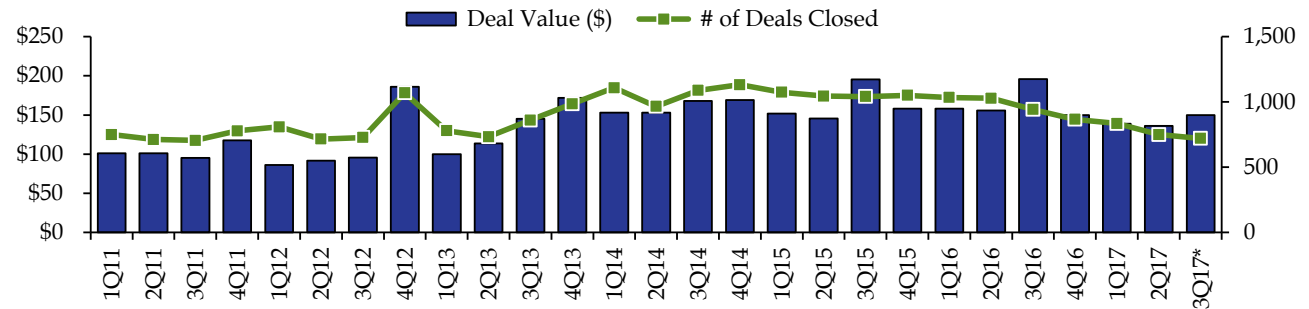
- The transaction was announced September 25, 2017 and is expected to close by the end of 2017
- Post deal closure, the majority of CFH will operate as a separate segment within CIRCOR

Transaction Rationale

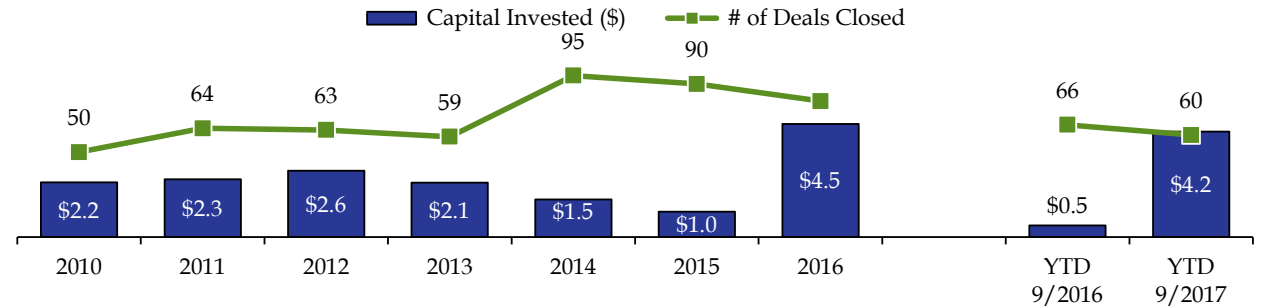
- With a history dating back to 1860, CFH is a world leader in the engineering, development, manufacturing, distribution, service and support of fluid handling systems
 - CFH is also a leading supplier of screw pumps for high demand, severe service applications across a range of markets
- CFH’s differentiated product portfolio, recognized brands, and large installed base enhance CIRCOR’s ability to deliver more comprehensive flow control solutions into existing and new end markets
- “CFH’s differentiated product offering enhances our ability to provide critical flow control solutions, and expands our presence into new markets. CFH’s compelling growth and margin characteristics, combined with attractive synergy opportunities, are expected to make this transaction accretive in the first year and generate strong returns for our shareholders. CFH and its strong team are an excellent addition to the CIRCOR family.” - Scott Buckhout, President and CEO of CIRCOR

- U.S. Private Equity deal flow was down during the third quarter of 2017 on a volume basis and up on a deal value basis
- Several large private equity transactions were announced in the third quarter driving total deal value
- Private equity activity started off slow in 2017, yet market fundamentals point to strong deal flow in the year ahead as fundraising has continued at a rampant pace
- Industrial Technology deal flow YTD 9/2017 saw a ~9% decline from YTD 9/2016, with the number of deals closed falling to 60 from 66
 - However, private equity disclosed capital invested increased dramatically, up ~\$3.7 billion YTD 9/2017 when compared to YTD 9/2016
- Relevant private equity deals announced through 9/2017 within the space include:
 - FFL Partners' acquisition of Bacharach
 - Odyssey Investment Partners' acquisition of CPI International
 - High Road Capital's acquisition of Storage Battery Systems

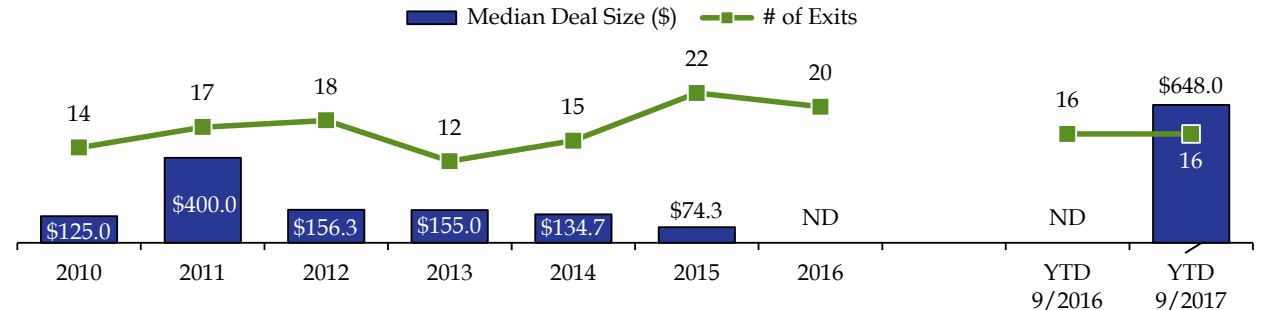
Overall U.S. Private Equity Deal Flow (\$ in billions)



U.S. Industrial Technology Private Equity Deal Flow (\$ in billions)

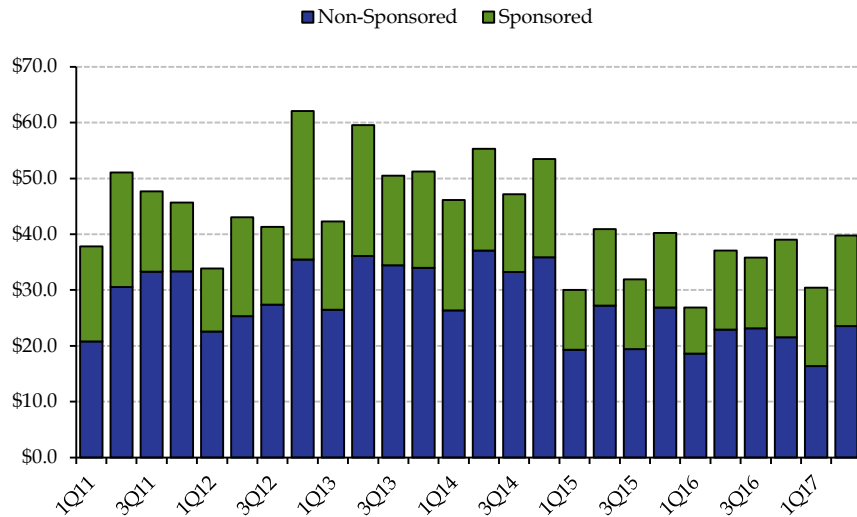


U.S. Industrial Technology Private Equity Exits (\$ in millions)

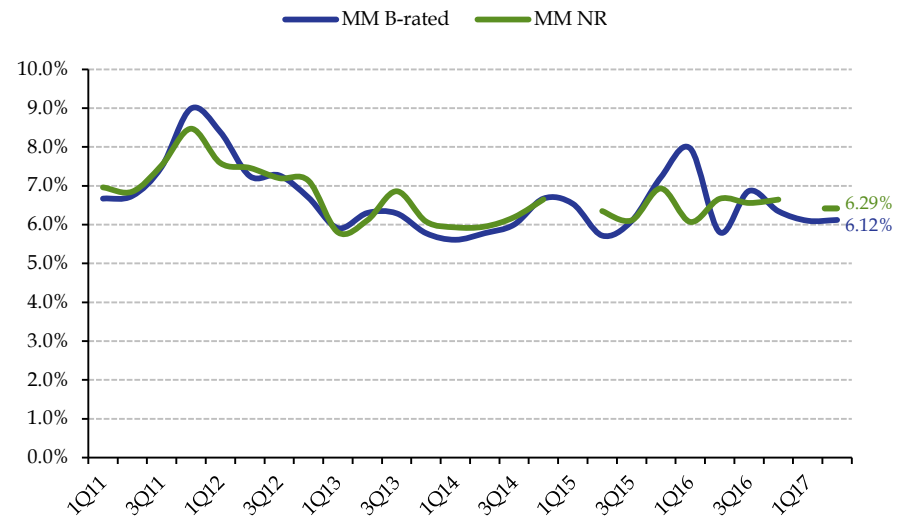


*3Q17 preliminary PitchBook data
ND - No Transaction Values Disclosed
Source: Fifth Third Securities, PitchBook

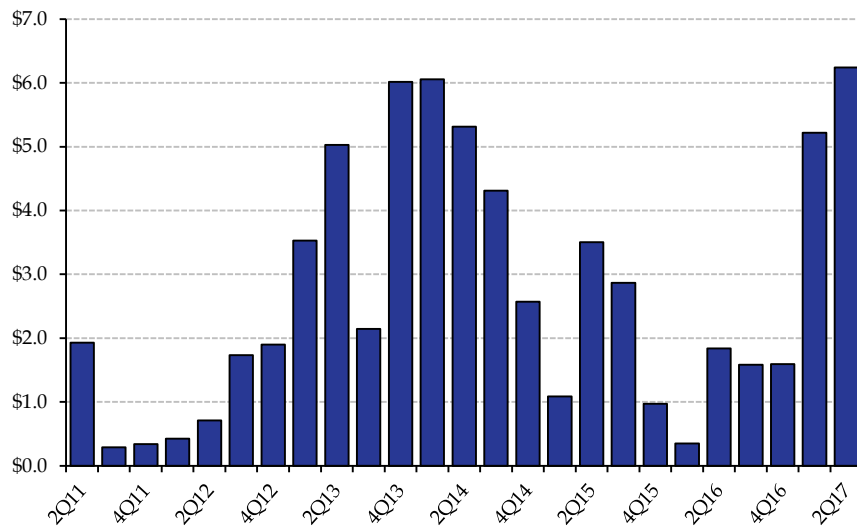
Loan Volume: Low Level of Supply Continues (\$ in billions)



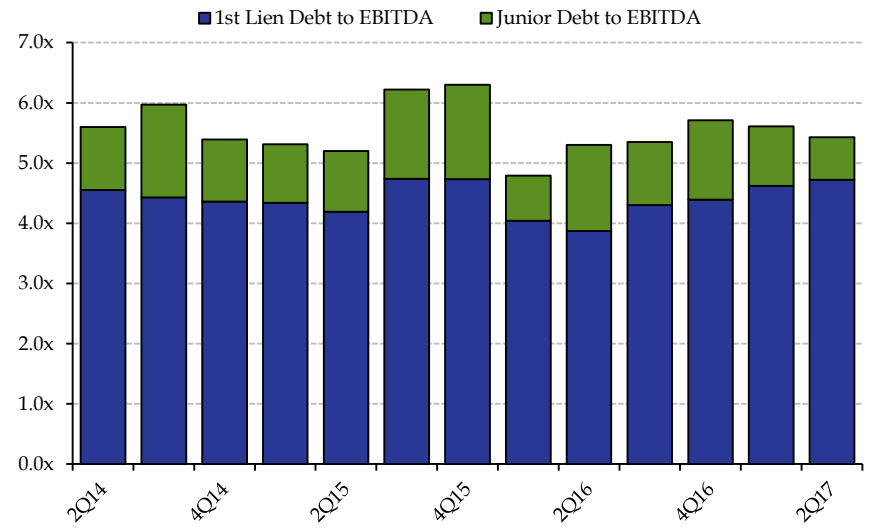
Non-Rated Term Loan Yields Tighten Further [1]



Covenant-Lite Volume Surges in 2Q17 (\$ in billions)



Leverage Multiples Remain Aggressive on Middle Market LBOs



Note: This data represents the entire U.S. middle market (all industries)
 Note: The middle market is defined as deal size ≤ \$100 million and borrower sales ≤ \$500 million
 [1] Includes both non-sponsored and sponsored transactions; sufficient data not available for MM NR loans in 1Q15 and 1Q17
 Source: Bloomberg, S&P Capital IQ LCD, and Thomson Reuters LPC

Pro Rata Market Update: 2Q 2017

Banks Ease Terms for Larger Credits; Downward Pricing Pressure Remains

Structure

- Banks largely left C&I lending standards for firms of all sizes unchanged, with a modest easing of most terms, including pricing and covenants, for large and middle-market firms per the 2Q17 Federal Reserve Senior Loan Officer Survey results. Per results of the 2Q17 Federal Reserve's Senior Loan Officer Survey. A moderate net percentage of banks increased the maximum size of credit lines, reduced the cost of such credit lines, narrowed the spread of loan rates over their cost of funds, and eased loan covenants

- Observations from Fifth Third's loan database:

Financial Covenants - single covenant deals became slightly more prevalent through LTM Q2 2017, with two covenant deals remaining most common, typically consisting of a leverage and coverage ratio

Tenors - static at 5 years, co-terminus revolver and term loans

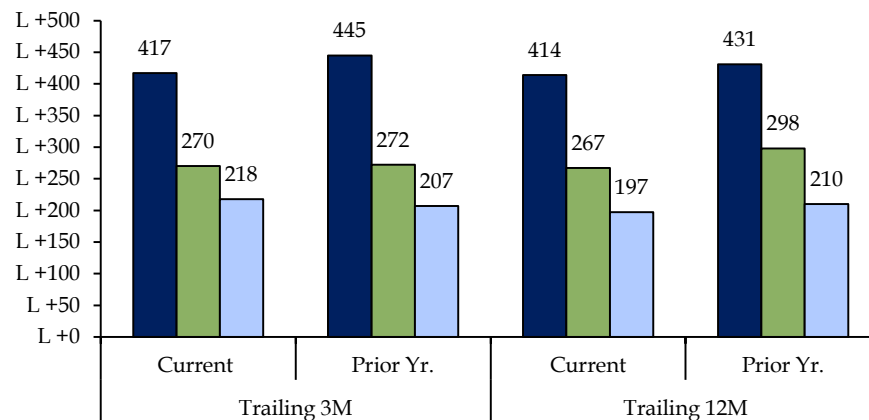
Amortization - no discernable market-driven movement, with a standard 5yr tenor term loan amortizing anywhere between 25-75%, with ~30-35% amortization being most common

Excess Cash Flow Recapture - fewer deals continue to have no sweep, with roughly half of all pro rata issuance executing without a sweep, up from ~1/3 of deals in 2016

Pricing

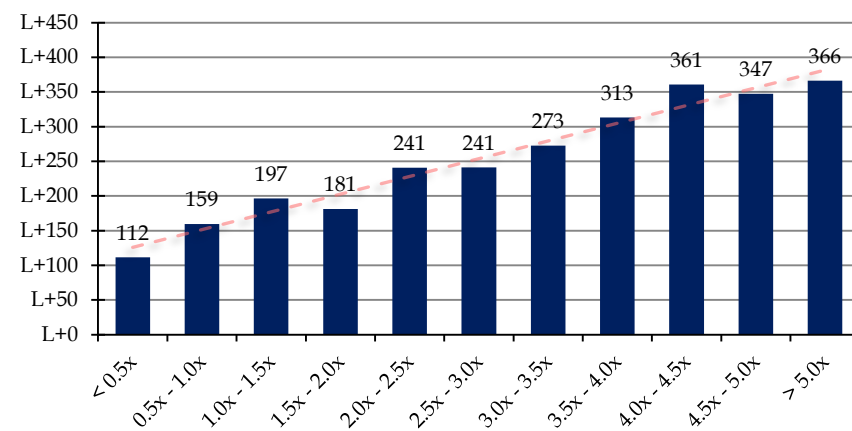
- While pricing in the pro rata market is highly subjective depending upon banking relationships and ancillary business, respondents to the Fed Survey have now reported net pricing *reductions* for 29 consecutive quarters
- In-line with Fed survey muted responses with respect to pricing, Fifth Third's pro rata database showed a modest 4 bps of YoY spread contraction, bringing the average drawn spread at close to L+200 for the 2Q17 vs. 2Q16
- With many grids reaching levels below L+200, approaching pricing on investment grade and asset based loans, there appears to be little runway for further pricing concessions in the pro rata market

Average Pro Rata Pricing at Close by Market Segment (as of 2Q17)



■ Middle Market Sponsored ■ Middle Market Non-Sponsored □ Pro Rata / Bank-Only

LTM 2Q17 Synthetic Leverage Grid for Pro Rata Executions

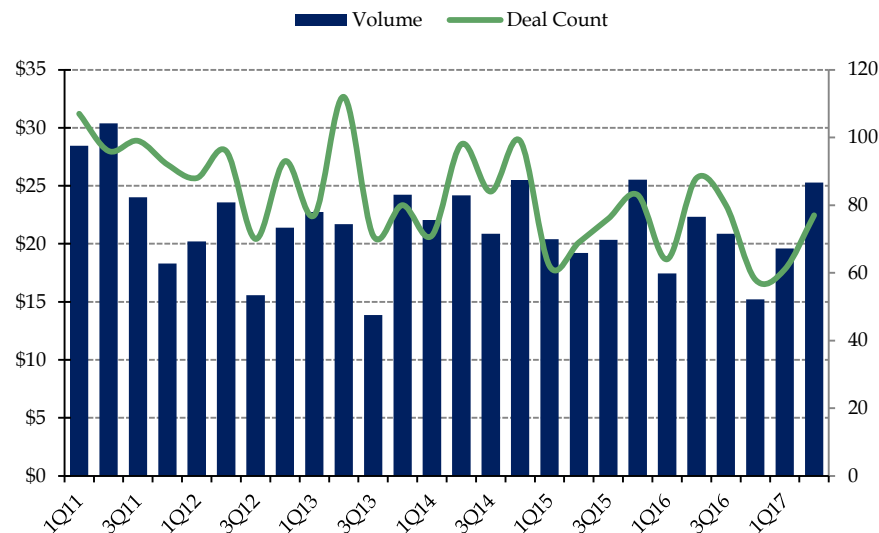


Observation: Closing leverage determines ~97% (R^2) of the variations in pricing; every 0.5x turn of leverage costs ~25bps (slope)

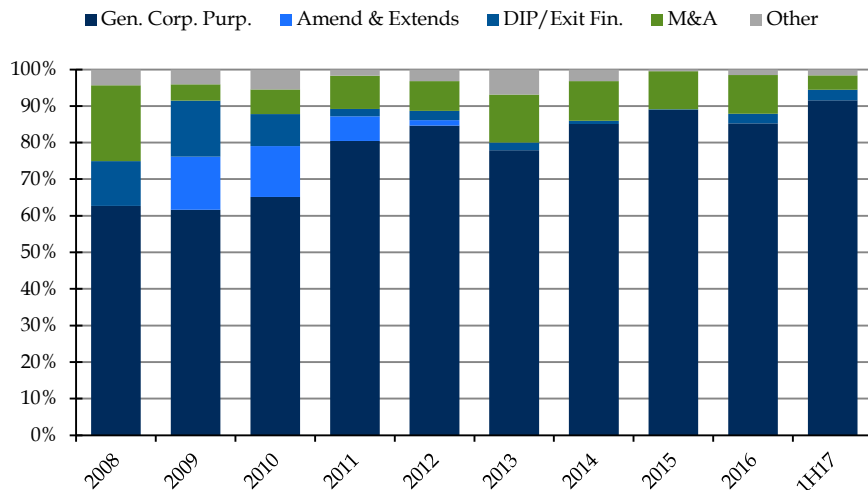
2Q 2017: ABL Market Commentary

- ABL issuance volumes totaled \$25.3 billion in 2Q17, an increase of 13% and 29% from 2Q16 and prior quarter volumes, respectively. 1H17 volumes totaled nearly \$45.0 billion
- 1H17 new money deal flow totaled \$9.8 billion, or 22% of volume
- Volume continued to consist primarily of refinancing activity with general corporate purposes being the primary use of proceeds. M&A lending was limited to 4% of total 1H17 volume
- Deal size continued to skew towards the smaller end of the market (sub \$250.0 million) as refinancings and add-ons dominated. Larger sized credits north of \$500.0 million were heavily weighted towards repricings and opportunistic refinancings
- Clubby deals under \$150.0 million made up 52% of total 1H17 volumes. Deals \geq \$500.0 million represented 13% of 1H17 deal flow
- Quarter over quarter ABL drawn spreads continue to tighten. Average drawn pricing decreased to 167 bps from 200bps. Average undrawn pricing decreased to 29 bps from 35 bps
- In 1H17, 89% of deals \geq \$75 million in size were priced (drawn pricing) below 250 bps, of which 48% were priced between 150-199 bps

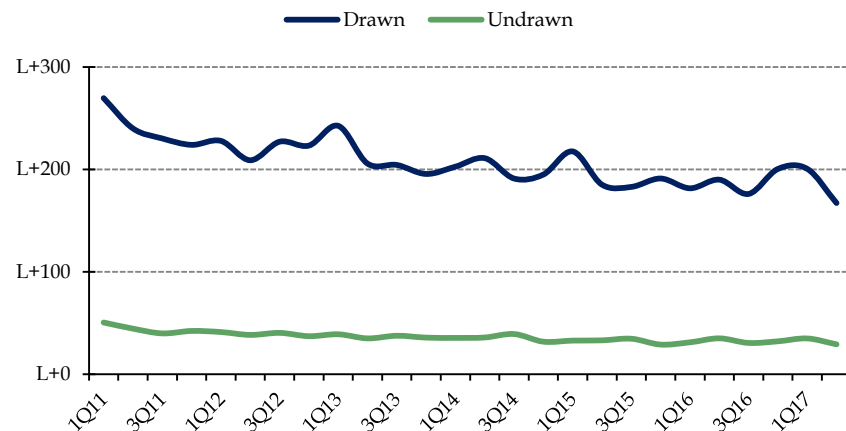
ABL Volume and Deal Count (\$ billions)



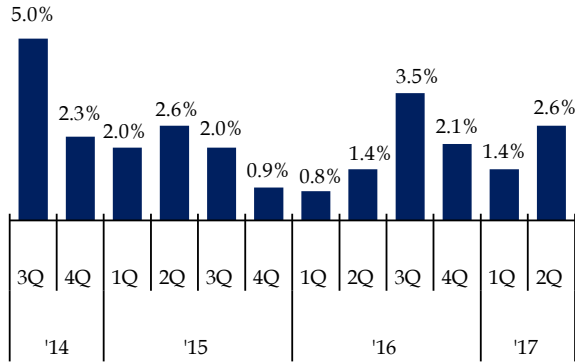
ABL Deal Purpose Dispersion



ABL Average Pro Rata Pricing

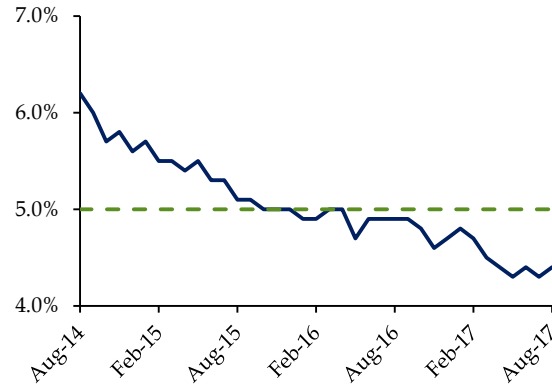


Real GDP Growth



Source: Bureau of Economic Analysis

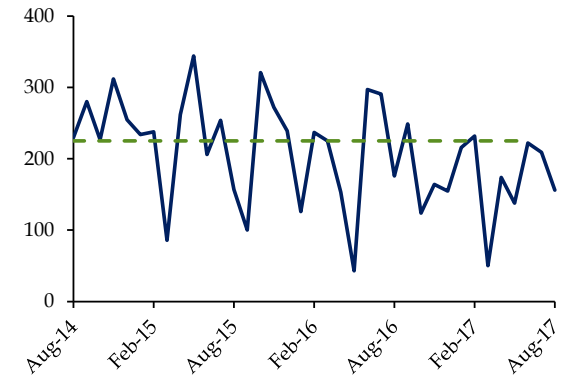
National Unemployment Rate



Source: Bureau of Labor Statistics

Additions to Non-Farm Payrolls

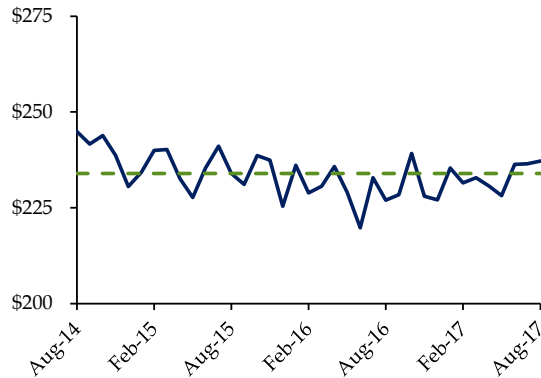
(in thousands of employees)



Source: Bureau of Labor Statistics

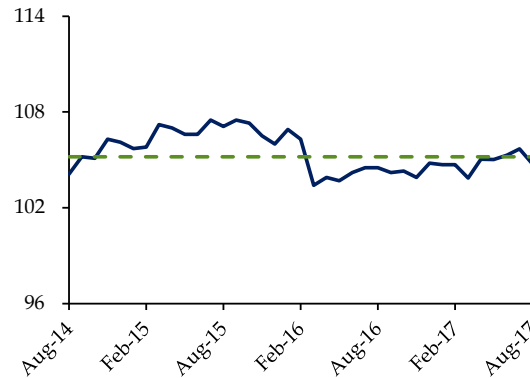
Capital Goods Orders

(\$ in billions)



Source: United States Census Bureau

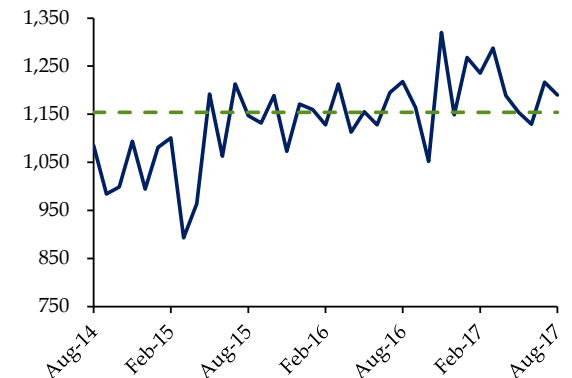
Industrial Production Index



Source: Board of Governors of the Federal Reserve System

Housing Starts

(in thousands of units)



Source: United States Census Bureau

S&P 500 Index- A broad index that includes American Companies.

EBITDA- A company's earnings before interest, taxes, depreciation, and amortization, is an accounting measure calculated using a company's net earnings, before interest expenses, taxes, depreciation and amortization are subtracted, as a proxy for a company's current operating profitability.

Dry Powder- Refers to cash reserves kept on hand to cover future obligations or to purchase assets.

GDP- Gross domestic product is the market value of the goods and services produced by labor and property located in the United States

Consumer Sentiment Index- The University of Michigan Consumer Sentiment Index is a consumer confidence index published monthly by the University of Michigan. The index is normalized to have a value of 100 in December 1964

National Unemployment Rate- the percentage of the total labor force that is unemployed but actively seeking employment and willing to work.

Non-Farm Payroll- Nonfarm payroll employment is a compiled name for goods, construction and manufacturing companies in the US. It does not include farm workers, private household employees, non-profit organization employees, or government employees . It is an economic indicator released monthly by the United States Department of Labor as part of a comprehensive report on the state of the labor market.

Housing Starts- are the number of new residential construction projects that have begun during any particular month.

The Economist- offers authoritative insight and opinion on international news, politics, business, finance, science, technology and the connections between them

LBO -- leveraged buyout (LBO) is the acquisition of another company using a significant amount of borrowed money to meet the cost of acquisition. The assets of the company being acquired are often used as collateral for the loans, along with the assets of the acquiring company.

Industrial Production Index (IPI)- is an economic indicator published by the Federal Reserve Board of the United States that measures the real production output of manufacturing, mining, and utilities Capital Goods Orders.

Covenant-lite loans- means that debt is being issued, both personally and commercially, to borrowers with less restrictions on collateral, payment terms, and level of income.

IRR-Internal Rate of Return.

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